SANLAM GENERAL INSURANCE LIMITED

QUESTIONS FROM SHAREHOLDERS AGM 5TH JULY 2022

	SHAREHOLDER NAME	QUESTION	ANSWER
1	Robert Kiboro	Please clarify whether the capital adequacy ratio is at 81% or -81%. Kindly also give more insights into this as during the last year's AGM the management was tasked to the growth and management of the Capital Adequacy.	The Capital Adequacy Ratio is at -81%. Last year we reported an underwriting loss of Kshs.822 million. This was mainly attributed to high claims experience in both the motor private business and medical. We also had increased provisions in both the reinsurance and premium debtors which impacted the profitability. We reported an after tax loss of Kshs.501 million and this is the reason why the capital adequacy was impacted by that result. We have repriced the motor book as at last year and beginning of this year, and the business also made a decision to exit the medical business in October 2021 as we focus on profitability. We booked reinsurance and debtors' provision of Kes. 307 million of which we are looking at writing back Kshs.205 million which had not been documented at the year end. The debtors' provisions were aligned to the IFRS9 standard as recommended by the auditors.

2	Ann Mutahi	Based on the explanation that provisioning was the main reason for the losses, how much is expected to be written back by next year?	From the analysis concluded, the business expects to write back Kshs. 205 million. The review of the provisions is still ongoing which could result in more write back.
3	Francis Magero	What significant discovery led to the restatement of last year's results?	The 2020 results were restated due to omissions of expenses which had not been accrued in 2020 and which were picked up in the 2021 financials and to correct overstated cash book balances.
4	Ann Mutahi	I noted from the audited accounts, the company is expecting an injection from one of the shareholders. What are the conditions of that investment, the interest rate and how will it impact the performance for next year?	The company received a loan from Sanlam Emerging Markets, to bring back the solvency margin for the company to 100% which is a requirement under section 41 of the Insurance Act. In addition, the loan will support our investment revenue as we expect Kshs.56 million as additional investment income. The loan was offered at a marginal rate of 3%.